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FOR AMBASSADOR FROM ASSISTANT SECRETARY ROGERS

E.O. 11652:GDS

TAGS: PFOR

SUBJECT: ARA WEEKLY HIGHLIGHTS

1. SUMMARY: FRONT OFFICE DEVOTED MOST OF THE PAST WEEK DEVELOPING PROJECTS AND INITIATIVES TO FOLLOW UP ON SECRETARY'S TRIP TO L.A. THE FOURTEEN NATION TUNA TALKS BROKE DOWN. CONGRESSIONAL HEARINGS ON PANAMA CANAL SCHEDULED FOR APRIL 6. DEVELOPMENT ASSISTANCE (AID FY 77) CONGRESSIONAL APPROPRIATIONS HEARINGS HELD ON APRIL 2. HEW RYAN MET WITH CHIEF OF STAFF ON PERUVIAN ARMED FORCES MARCH 29 AND I MET WITH VENEZUELAN PRESIDENT OF PETROLEUM INDUSTRY APRIL 2.

2. FOLLOW UP ON SECRETARY'S TRIP TO L.A. MUCH OF OUR TIME THIS WEEK HAS BEEN SPENT DEVELOPING A CONCRETE PROGRAM OF MEASURES AND INITIATIVES FOLLOWING UP ON SUBJECTS
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DISCUSSED BY THE SECRETARY ON HIS RECENT TRIP. THESE

GENERALLY FALL UNDER FOUR CATEGORIES: TRADE, ENERGY, SCIENCE AND TECHNOLOGY AND OAS REFORM. ON TRADE, OUR APPROACH WILL BE TO SEEK THE IMPLEMENTATION OF TRADE LAWS AND POLICIES IN WAYS WHICH FAVOR LATIN AMERICA WHEREVER WE CAN. WITH ENOUGH HIGH LEVEL ATTENTION, WE BELIEVE THIS CAN BE DONE WITHOUT VIOLATING AGREEMENTS WITH OTHER TRADING PARTNERS OR AROUSING PROTECTIONIST FEARS AT HOME. AS REGARDS ENERGY, WE ARE WORKING WITH OTHER BUREAUS TO SEE IF WE CAN GIVE A REGIONAL FOCUS TO THE SECRETARY'S PROPOSAL AT THE 7TH SPECIAL SESSION FOR AN INTERNATIONAL ENERGY INSTITUTE (IEI). WE MIGHT LOOK TO A LATIN AERICAN PILOT IEI. OUR PROPOSALS ON SCIENCE AND TECHNOLOGY ARE STILL BEING FORMULATED AT BUREAU LEVEL, PROGRESS CONTINUES APACE ON OAS REFORM. NOT ALL OF OUR SPECIFIC PROPOSALS HAVE BEEN ACCEPTED, BUT THE CONSULTATIVE PROCESS HAS MOVED US FORWARD. WE WOULD LIKE YOUR VIEWS AND IDEAS BUT YOU SHOULD NOT DISCUSS ANY OF THESE TENTATIVE IDEAS OUTSIDE OF THE EMBASSY AND RESTRICT DISCUSSION IN THE EMBASSY TO THOSE WHO NEED TO KNOW.

3. WE ALSO REVIEWED AT STAFF MEETING APRIL 1 THE BILATERAL FALLOUT FROM THE TRIP AND THINGS SEEM TO BE MOVING WELL.

-- BRAZIL. WE ARE ANTICIPATING A FULL AND PRODUCTIVE VISIT HERE WITH BRAZILIAN DEVELOPMENT MINISTER UEKI MAY 17-22 TO TALK ABOUT ENERGY COOPERATION. TERMS OF REFERENCE HAVE BEEN DRAFTED FOR THE ENERGY AND SCIENCE-TECHNOLOGY BILATERAL SUB-GROUPS. SECRETARY SIMON'S TRIP TO BRAZIL IS ON, TENTATIVELY FOR MAY 8 AND BRAZILIAN ECONOMICS MINISTER SIMONSEN WILL BE HERE ON APRIL 27.

-- PERU. CARL MAW WENT DOWN TO PERU APRIL 1. WE HOPE HE WILL BE ABLE TO CONCLUDE A COMPENSATION SETTLEMENT ON THE MARCONA EXPROPRIATION.

-- VENEZUELA. BILATERAL TEAMS ARE BEING SELECTED FOR THE ENERGY COOPERATION PROJECT AND A DRAFT MEMORANDUM OF UNDERSTANDING ON EXCHANGE OF SCHOLARS HAS BEEN SENT UP BY EMBASSY CARACAS.

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-- COLOMBIA. THE CENTRAL ISSUE FOR COLOMBIA OF COURSE IS TRADE AND THE LIERANO PROPOSAL(AS ABOVE).

-- COSTA RICA. WE HAVE NOT YET RECEIVED COSTA RICAN PROPOSAL OF INCREASING EDUCATIONAL EXCHANGE GRANTS. IN THE MEANTIME, HOWEVER, WE ARE CONSULTING WITH CU IN AN EFFORT TO WORK OUT A POSITIVE RESPONSE.

ON MEAT EXPORTS, DURING CONTINUING NEGOTIATIONS IN WASHINGTON, AUSTRALIA AND NEW ZEALAND HAVE REFUSED TO ACCEPT ANY PROVISION IN THE VOLUNTARY RESTRAINT AGREEMENTS THAT EXPLICITLY CALLS FOR LATIN AMERICAN AREA SHORTFALL REALLOCATION. THE BEST WE CAN HOPE FOR IS THAT THEY WILL AGREE TO OUR PRESENT PROPOSAL OF ELIMINATING ANY MENTION OF REALLOCATION FROM THE AGREEMENTS.

4. TUNA TALKS COLLAPSE. THE INFORMAL 14 NATION TUNA TALKS IN NEW YORK WERE INDEFINITELY POSTPONED ON MARCH 23 WHEN THE PERUVIANS, ECUADOREANS, CHILEANS, AND MEXICANS CAME FORTH WITH A REVISED ARTICLE 53 (TUNA ARTICLE) OF THE LOS SINGLE NEGOTIATED TEXT WHICH WE FOUND UNACCEPTABLE. THE REVISED TEXT UNDOED VIRTUALLY ALL OF THE AGREEMENTS UNIFORMLY REACHED WITH THE ECUADOREANS AND MEXICANS DURING THE JANUARY/FEBRUARY TALKS. PERU IS CONSIDERED TO BE LARGELY RESPONSIBLE FOR THE HARDLINE POSITIONS. INFORMAL TUNA TALKS ARE CONTINUING IN NEW YORK, HOWEVER. WE ARE BROADENING THE BASE OF THE TALKS BY INCLUDING AFRICAN AND OCEANIC PARTICIPANTS AND LOOKING FORWARD AGREEMENT ON A SHORTER, MORE GENERAL ARTICLE 53.

5. CONGRESSIONAL HEARINGS ON PANAMA CANAL. HOUSE SUBCOMMITTEE ON PANAMA CANAL (COMMITTEE OF MERCHANT MARINE AND FISHERIES) WILL HOLD HEARINGS APRIL 6-8 TO EXAMINE THE JURISDICTIONAL RELATIONSHIP BETWEEN THE CANAL ZONE AND THE REPUBLIC OF PANAMA AND EXISTENCE, STATUS AND THRUST OF PANAMA CANAL TREATY NEGOTIATIONS. TESTIMONY WILL BE GIVEN INTER ALIA BY GOVERNOR OF THE CANAL ZONE, ARMY ASSISTANT SECRETARY FOR CIVIL WORKS, THE U.S. NEGOTIATORS AND REPRESENTATIVES OF VARIOUS INTEREST GROUPS.

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6. CONGRESSIONAL HEARINGS FOR AID APPROPRIATIONS FY 77. THE NEW BUDGET REFORM LAW HAS BEGUN TO HAVE THE FAVORABLE EFFECT OF SPEEDING UP CONGRESSIONAL CONSIDERATION OF APPROPRIATIONS LEGISLATION. IT IS NOT IMPOSSIBLE, IF NOT UNBELIEVABLE, THAT WE MAY HAVE, FOR EXAMPLE, DEVELOPMENT ASSISTANCE (AID) APPROPRIATIONS FOR A GIVEN FISCAL YEAR IN ADVANCE OF THE FISCAL YEAR. THE HEARINGS FOR AID APPROPRIATIONS FOR FY 1977 HAVE BEGUN THIS YEAR MUCH EARLIER THAN PREVIOUS YEARS. WE HAD THE PASSMAN HEARINGS ON FRIDAY, IN A DAY-LONG SESSION DEALING WITH ALL AREAS. HERMAN KLEINE AND HEW RYAN PARTICIPATED FOR LATIN AMERICA. BECAUSE THE HEARING DEALT WITH ALL AREAS, THERE WAS LITTLE EMPHASIS ON ANY ONE REGION. THE QUESTIONS ON LATIN AMERICA WERE NEITHER TROUBLESOME NOR UNFRIENDLY. THE INOUE SUB-COMMITTEE IS TO TAKE UP FY 1977 AID APPRO-

PRIATIONS AFTER THE EASTER RECESS, PERHAPS IN MAY.

7. VENEZUELA. I MET ON APRIL 2 WITH GENERAL ALFONSO RAVARD, PRESIDENT OF VENEZUELA'S NATIONALIZED PETROLEUM INDUSTRY (PETROVEN) AND DISCUSSED WITH HIM WAYS AND MEANS OF EFFECTING TECHNOLOGY TRANSFER TO L.A., AS WELL AS THE CURRENT STATUS AND PROBLEMS OF VENEZUELA'S PETROLEUM INDUSTRY.

8. PERU. THE CHIEF OF STAFF OF THE PERUVIAN ARMED FORCES, LAVERA, CALLED ON HEW RYAN ON MARCH 29. HE IS

IN THE U.S. ON THE FIRST LEG OF AN ARMS-BUYING TRIP WHICH WILL TAKE HIM ALSO TO WEST EUROPE, THE U.S.S.R. AND CUBA. HEW MADE IT VERY CLEAR THAT WE CAN MAKE NO NEW COMMITMENTS ON MILITARY SALES OR TRAINING UNTIL A SETTLEMENT ON THE MARCONA DISPUTE IS REACHED. KISSINGER

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